

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2000-808

February 7, 2001

MAINE PUBLIC UTILITIES COMMISSION
Standard Offer Bidding Process

ORDER DIRECTING
CENTRAL MAINE POWER
COMPANY TO CONTRACT
FOR WHOLESALE POWER
SUPPLY AND ESTABLISHING
STANDARD OFFER PRICES
(PART I)

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

We order Central Maine Power Company (CMP) to provide standard offer service in its service territory for the medium non-residential and large non-residential standard offer customers for the period March 1, 2001 through February 28, 2002. We direct CMP to execute two wholesale power supply contracts by which CMP will acquire all the necessary power supply requirements to serve the medium class and all requirements for the large class except for Installed Capacity (ICAP). We also establish the standard offer prices that will be charged standard offer customers in the medium and large non-residential customer classes, effective March 1, 2001.

When the Commission terminated its chapter 301 bid process on December 22, 2000, among other things, we directed CMP to explore wholesale power supply arrangements that would permit CMP to serve as the standard offer provider for its medium and large non-residential customer classes beginning March 1, 2001. On February 7, 2001, CMP filed a petition with the Commission which requested Commission approval of two wholesale power agreements. CMP also requested the Commission to set standard offer prices for the medium and large non-residential customers calculated so that CMP will recover from standard offer customers the cost of the two wholesale power contracts, the Company's forecasted cost of ICAP for the large class, and CMP's estimate of its incremental administrative costs to serve as standard offer provider.

The Commission issues this decision on CMP's February 7 petition in two parts. In this Part I Order we indicate our decision as to our designation of CMP as the standard offer provider for the medium and large non-residential customer classes, direct CMP to enter into the two power supply contracts described in its February 7 petition and set the standard offer prices that should be charged the medium and large non-residential customer classes in CMP's territory effective March 1, 2001. In our Part II decision, we will describe our reasoning in reaching these decisions, describe in more detail the contractual requirements of the underlying power supply arrangements and seek comment as to the future actions the Commission might take in response to the significant standard offer price increase that the medium and large non-residential customer classes will pay for standard offer service effective March 1, 2001.

Accordingly, we

O R D E R

1. Central Maine Power Company to provide standard offer service to the medium and large non-residential standard offer customer classes in CMP's service territory for the period March 1, 2001 through February 28, 2002;
2. Central Maine Power Company to execute the power supply contracts attached in its February 7 petition as Confidential Exhibits 1 and 2;
3. That the Commission finds that Central Maine Power Company has acted prudently in negotiating and executing the contracts attached in CMP's February 7 petition as Confidential Exhibits 1 and 2;
4. That the Commission finds Central Maine Power Company's decision, at this time, to not contract for the Installed Capacity (ICAP) requirements for serving the large non-residential standard offer class and to take the price and volume risk associated with ICAP, to be prudent; and
5. That the standard offer prices for the medium non-residential standard offer customer class effective March 1, 2001 will be \$0.08520 per kWh and that the standard offer prices for the large non-residential standard offer customers shall be:

	<u>Non-Summer</u>	<u>Summer</u>
On-Peak	\$0.08971	\$0.14576
Off-Peak	\$0.05596	\$0.06543

Dated at Augusta, Maine, this 7th day of February, 2001.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

THIS DOCUMENT HAS BEEN DESIGNATED FOR PUBLICATION

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

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